

grievance and does not require for adjudication the presence of essential witnesses, parties, or third persons over whom the designated contract market does not have jurisdiction. Other counterclaims arising out of a transaction subject to the Act and rules promulgated thereunder for which the customer utilizes the services of the registrant may be permissible where the customer and the registrant have agreed in advance to require that all such submissions be included in the proceeding, and if the aggregate monetary value of the counterclaims is capable of calculation.

(g) *Eligible contract participants.* A person who is an “eligible contract participant” as defined in section 1a(12) of the Act may negotiate any term of an agreement or understanding with a Commission registrant in which the eligible contract participant agrees, prior to the time a claim or grievance arises, to submit such claim or grievance to any settlement procedure provided for in the agreement.

[66 FR 42287, Aug. 10, 2001, as amended at 75 FR 55451, Sept. 10, 2010]

## PART 170—REGISTERED FUTURES ASSOCIATIONS

### Subpart A—Standards Governing Commission Review of Applications for Registration as a Futures Association Under Section 17 of the Act

Sec.

- 170.1 Demonstration of purposes (section 17(b)(1) of the Act).
- 170.2 Membership restrictions (section 17(b)(2) of the Act).
- 170.3 Fair and equitable representation of members (section 17(b)(5) of the Act).
- 170.4 Allocation of dues (section 17(b)(6) of the Act).
- 170.5 Prevention of fraudulent and manipulative practices (section 17(b)(7) of the Act).
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- 170.7 Membership denial (section 17(b)(9) of the Act).
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- 170.9 General standard.

170.10 Proficiency examinations (sections 4p and 17(p) of the Act).

### Subpart B—Registration Statement of Futures Associations to be Submitted to the Commission

170.11 Form of registration statement; review of registration statement.

170.12 Delegation of authority to Director of the Division of Clearing and Intermediary Oversight.

### Subpart C—Membership in a Registered Futures Association

170.15 Futures commission merchants.

AUTHORITY: 7 U.S.C. 6p, 12a, and 21, as amended by the Commodity Futures Modernization Act of 2000, appendix E of Pub. L. 106-554, 114 Stat. 2763 (2000).

SOURCE: 44 FR 20651, Apr. 6, 1979, unless otherwise noted.

### Subpart A—Standards Governing Commission Review of Applications for Registration as a Futures Association Under Section 17 of the Act

#### § 170.1 Demonstration of purposes (section 17(b)(1) of the Act).

A futures association must demonstrate that it will be able to carry out the purposes of section 17 of the Act. Since a basic purpose of a futures association is to regulate the practices of its members, an association should demonstrate that it will require its members to adhere to regulatory requirements governing their business practices at least as stringent as those imposed by the Commission. For example, the association should be prepared to establish and maintain in accordance with § 1.52 of this chapter, a financial compliance program for those members of the association who are futures commission merchants.

#### § 170.2 Membership restrictions (section 17(b)(2) of the Act).

If it appears to the Commission to be necessary or appropriate in the public interest and to carry out the purposes of section 17 of the Act, a futures association may restrict its membership to individuals registered by the Commission in a particular capacity or to individuals doing business in a particular